

COVID-19 ripples into the container industry

An estimated 20% of the global population is in some form of lockdown, says **Kashief Schroeder**, owner and co-founder of CIT Container.



The impact of the pandemic has been felt sharply in the container industry

Considering the coronavirus pandemic, many industries and businesses had to adapt and change to embrace a new normal.

China, the world's manufacturing powerhouse's restrictions and lockdowns had a huge impact on the manufacturing of goods and containers. As production and exports from China were halted, demand for shipping containers were drastically reduced, locally and internationally, as fewer goods are being shipped and fewer containers are being produced.

DECREASED VOLUME

Along with the delayed production in China, South Africa started a government-mandated lockdown on 27 March 2020. The lockdown only allowed for essential goods to be imported and exported into and from South African ports.

The combination of these events led to a decrease in the volume of containers entering South Africa – with a drastic effect on South African demand for containers.



INTERNATIONAL PRICE HIKES

Schroeder foresees an increase in the prices of containers to alleviate lost revenue from ceased production of containers and exported goods. Fewer containers are being circulated internationally, which will contribute to a rise in prices.

"It is important to look ahead and plan a way forward in these uncertain times. Although COVID-19 will have an enormous impact on the global economy, there are also new business opportunities arising that industries can invest in.

"South Africa, and the rest of the world, are dependent on Chinese production. This is the time for Africa to become more self-sufficient. The continent has abundant natural resources and vast land with many agriculture and manufacturing opportunities. In the future, we should manufacture our own goods and work towards being export-rather than import-driven," he concludes. •

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